

MARICOPA COUNTY LIBRARY DISTRICT BOARD OF DIRECTORS MINUTE BOOK

**FORMAL SESSION
June 7, 2006**

The Board of Directors of Maricopa County Library District, Arizona convened in Formal Session at 9:00 a.m., June 7, 2006, in the Board of Supervisors' Auditorium, 205 W. Jefferson, Phoenix, Arizona, with the following members present: Don Stapley, Chairman, District 2; Andrew Kunasek, District 3; Max W. Wilson, District 4, and Mary Rose Wilcox, District 5. Absent: Fulton Brock, Vice Chairman, District 1. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Administrative Coordinator; David Smith, County Manager; Bruce White and Victoria Mangiapane, Deputy County Attorneys. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

PERSONNEL AGENDA

Motion was made by Director Wilcox, seconded by Director Kunasek, and unanimously carried (4-0-1) to approve the Library District Personnel Agenda (Exhibit D). Exhibit D will be found at the end of this set of minutes.

PERFORMANCE-BASED SALARY ADVANCEMENT PLAN

Motion was made by Director Wilcox, seconded by Director Kunasek, and unanimously carried (4-0-1) to amend the "FY 2006-07 Performance-Based Salary Advancement Plan" for the Maricopa County Library District to allow for one-time lump sum performance payments to eligible employees who are at the maximum of their salary range (i.e., "redlined" employees). Individual increases may not exceed 3.5% of the individual's base rate of pay. The provisions of this document supersede Section VI, Paragraph A of the Maricopa County Compensation Plan, entitled "Salary Advancements". (C4906030602) (ADM2800-001)

FY 2006-07 Performance-Based Salary Advancement Plan

(Approved by the Board on March 15, 2006, amended on May 17, 2006, and again on June 7, 2006.)

Purpose:

The purpose of this plan is to recognize employees' performance in an equitable manner so that they will be motivated to continue to perform.

Background:

The compensation strategy described in this document is a continuation of the pay for performance compensation strategy began in FY 2004-05, which facilitated the County moving to a more regular compensation funding and distribution system.

There are two compensation options identified. The first provides permanent salary adjustments to eligible employees who are below the maximum of their salary range. The second provides a one-time lump sum payment to eligible employees who are at the maximum of their salary range (i.e., "redlined" employees).

Applicability:

The guidelines and process outlined in this plan will apply to all performance-based salary advancements awarded in FY 2006-07. No performance-based salary advancements will be awarded outside of this process. Participation in this process is a condition for Board appropriation of funds. For elected and judicial branch agencies, the Office of Management and Budget may approve minor variances from

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specific guidelines in this plan if they are consistent with the overall direction, and there is no increased annualized budgetary impact.

Upon adoption by the respective boards of directors for the Flood Control District, Stadium District and Library District, the references herein to County departments shall be deemed to refer to the special district as appropriate.

Employee Eligibility:

Employees will be eligible for performance-based salary advancements if they meet the following criteria:

- a) Employed on a full or part-time basis in classified, unclassified or contract status; temporary employees are not eligible.
- b) Employed continuously in their current position/job title for at least one year as of the effective date of their salary advancement. Salary advancements for employees eligible mid-year will be pro-rated based on the remaining time in the fiscal year.
- c) Employed by any County department except the Maricopa Managed Care System.
- d) Have a current performance appraisal (completed within the last 12 months) on file in Human Resources as of the effective date of the salary advancement, with a performance rating of 3 (Meets or Base Performance) or higher.
- e) May not be on initial or performance probation as of the effective date of their salary advancement.

Employees will be eligible for a performance-based, one-time lump sum payment if they meet the following criteria:

- a) Must be "redlined" – that is, earning at or above the maximum salary allowable for their position based on a market analysis completed and implemented by the Employee Compensation Division.
- b) Employed on a full or part-time basis in classified, unclassified or contract status; temporary employees are not eligible.
- c) Employed continuously in their current position/job title for at least one year as of the effective date of their salary advancement.
- d) Employed by any County department except the Maricopa Managed Care System.
- e) Have a current performance appraisal (completed within the last 12 months) on file in Human Resources as of the effective date of the salary advancement, with a performance rating of 3 (Meets or Base Performance) or higher.
- f) May not be on initial or performance probation as of the effective date of their salary advancement.

Department Expenditure Caps:

The annualized cost of each department's implementation plan for performance-based salary advancements may not exceed not more than 3.5% of its budgeted regular salaries and associated variable benefits by fund (excluding amounts budgeted for positions with salaries defined by statute, such as elected officials, and executive-level positions, which will be funded centrally).

Employee Award Guidelines:

Eligible employees will receive performance-based salary adjustments based on their current performance evaluation. Increases will be applied to the employee's current base salary (unless the

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employee is over the maximum pay rate for their position). Within a department, the highest percentage increase awarded to any employee with a specific performance rating must be less than the lowest percentage increase awarded to any employee with the next highest performance rating. For example, an employee with a rating of "3" may not receive a 5% increase if any other employee in the same department with a rating of "4" is to receive an increase of less than 5%.

Although performance increases must average not more than 3.5% in order for departments to stay within their funding allocation, individual increases may and should vary from this amount based on individual performance ratings. Please note that performance increases exceeding 10% will require approval by the Compensation Review Committee prior to inclusion on the personnel agenda, which may delay implementation of these increases.

Employees eligible for performance-based, one-time lump sum payments will receive them based on their current performance evaluation. Individual increases may not exceed 3.5% of the individual's base rate of pay. Within a department, the largest one-time payment awarded to any employee with a specific performance rating must be less than the smallest one-time payment awarded to any employee with the next highest performance rating. For example, an employee with a rating of "3" may not receive a larger incentive payment than any other employee in the same department with a rating of "4" or higher.

Allocation Guidelines:

Given that pay increases will be based solely on performance, department directors are strongly encouraged to meet with their managers and supervisors regarding standards and expectations for performance plans and appraisals. Supervisors and managers are encouraged to attend County-sponsored training on this topic. Managers and supervisors should evaluate employees based on established performance plans, which tie directly to the department's strategic plan and goals. Employees should be evaluated on criteria that are objective and measurable. All employees must be rated on the County's standard five-point scale, unless an exception is requested and granted by the Human Resources Department.

It should be noted that funds have been earmarked in FY 2006-07 to cover market adjustments for some staff. Departmental management is encouraged to communicate with the Employee Compensation Division within OMB on market-based salary concerns. All requests will be prioritized based on demonstrated recruitment and retention difficulties, as well as impact on service delivery and ability to meet departmental goals. Please do not attempt to address market-based salary issues through the performance pay process.

Funding Allocation:

Departments' expenditure appropriated budget targets will be adjusted as necessary to fund implementation of this approved performance-based salary adjustment plan, **not to exceed 3.5%** of budgeted regular salaries and associated variable benefits by fund (excluding amounts budgeted for positions with salaries defined by statute and executive-level positions).

Effective Dates:

For initially eligible employees, salary advancements will be effective July 3, 2006. For employees who become eligible later in the fiscal year, effective dates may be at the beginning of the next pay period after their eligibility date up to June 30, 2007.

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Approval and Implementation:

1. Departments will be provided a standardized spreadsheet which lists all employees. Departments are expected to verify that all employees are included, and that employee-level information (such as position, position entry date, etc.) is correct, and indicate each employee's performance rating. Spreadsheets will be submitted to OMB, Employee Compensation Division for review. Copies of employee evaluations should be sent to Employee Records prior to submission of the pay for performance spreadsheet in order to document the ratings listed in the spreadsheet.
2. OMB will review each department's implementation plan for completeness and adherence to the approved guidelines. Funding will be reserved for employees with less than one year in their position.
3. Once a department plan is approved, the Office of Management and Budget will work with departments to implement the salary advancements as soon as possible. Retroactive pay will be provided if adjustments cannot be implemented by the targeted effective date.

DONATION

Motion was made by Director Wilcox, seconded by Director Kunasek, and unanimously carried (4-0-1) to accept the following donations:

- o Fountain Hills Library Association, in the amount of \$3,335.22, for a direct sponsorship to bring the Robert Sabuda Pop-up Book Exhibit to the Fountain Hills River-of-Time Museum in collaboration with the Library District; and
- o Friends of the George L. Campbell Branch Library to the Campbell Branch Library in the amount of \$2,295.00 for CD repair and a disc cleaner machine. (C6506030000) (ADM2800-006)

MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned.

Don Stapley, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board